

## MINUTES

### **ENVIRONMENTAL SERVICES / PUBLIC SAFETY / COMMUNITY ASSISTANCE COMMITTEE**

May 15, 2013

A meeting of the Environmental Services / Public Safety / Community Assistance Committee of the Council of the County of Kaua'i, State of Hawai'i, was called to order by Councilmember Mel Rapozo, Chair, at the Council Chambers, 4396 Rice Street, Suite 201, Līhu'e, Kaua'i, on Wednesday, May 15, 2013, at 11:22 a.m., after which the following members answered the call of the roll:

Honorable Tim Bynum  
Honorable Gary L. Hooser  
Honorable Ross Kagawa  
Honorable JoAnn A. Yukimura  
Honorable Mel Rapozo  
Honorable Nadine K. Nakamura, Ex-Officio Member  
Honorable Jay Furfaro, Ex-Officio Member

Minutes of the December 13, 2011 Special Public Safety & Environmental Services Committee Meeting.

Upon motion duly made by Councilmember Kagawa, seconded by Councilmember Bynum, and unanimously carried, Minutes of the December 13, 2011 Special Public Safety & Environmental Services Committee Meeting was approved.

Minutes of the May 1, 2013 Environmental Services / Public Safety / Community Assistance Committee Meeting.

Upon motion duly made by Councilmember Kagawa, seconded by Councilmember Bynum, and unanimously carried, Minutes of the May 1, 2013 Environmental Services / Public Safety / Community Assistance Committee Meeting.  
was approved.

The Committee reconvened and proceeded on its agenda item as follows:

EPC 2013-05	Communication (05/09/2013) from Committee Chair Rapozo, requesting the presence of the Administration to provide a briefing and an update on the Host Community Benefit Program for the Kekaha community, to include, but not limited to, the amount of funding available, the proposed use of the funds (e.g., consultant fees, proposed projects, etc.), a list of the Citizens Advisory Committee members, and the appropriate County Department that is responsible for managing this project. <b>[This item was deferred.]</b>
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Councilmember Kagawa moved to receive EPC 2013-05 for the record, seconded by Councilmember Yukimura.

Chair Rapozo:

I will suspend the rules. Beth?

There being no objections, the rules were suspended.

BETH TOKIOKA, Director of Communications: Aloha and good morning. I work in the Mayor's Office and I am happy to be here to provide an update on the Kekaha Host Community Benefits (HCB) Program. I think the last time we were here to provide formal update was in February of 2011 and then last year about this time we has transmitted to you the results of the first round of grants that the Citizens' Advisory Committee undertook. But we are very happy to provide an update today. I have a brief PowerPoint that will address the specific issues that were identified in the communication that came over and then obviously, if there are any other questions, we would be happy to answer them as best we can. First of all a little background for anyone who is not familiar with the Kekaha HCB, Host Community Benefits Program. These are programs that actually exist all over our Country. They are to compensate a host community in this case, the community that hosts our landfill. It is a fund that is set up and it was set up here in 2008 when we were looking to expand at the Kekaha Landfill. The purpose of the program is to provide some funding for that community in acknowledgment of their hosting of this public facility and that funding has been placed in the hands of – it resides with the County, but the Citizens Advisory Committee (CAC) has been appointed to actually outreach to the community and determine what are the needs and wants of that community and to recommend projects that should be funded. The Citizens' Advisory Committee is appointed by the Mayor. Here is a list of our current Citizens' Advisory Committee members Bruce Pleas, who is the Chair, Jose Bulatao who is the Vice Chair, Evelyn Olores is Secretary, Robert Jackson is the Financial Officer. The other four (4) members are Myra Elliot, "Big Boy" Kupo Jr., Glenn Molander, and Thomas Nizo. Other than Thomas Nizo, the other seven (7) that you see up there have been serving since the beginning of the CAC. We appreciate their service. They have worked very, very hard. Thomas Nizo replaced Randy Hee when Randy had to resign from the Committee. I think he has been there a couple of years now, Thomas has. Then we have a Facilitator on board, Yvonne Hosaka. She was here earlier but she had to leave for another appointment. She has been a wonderful addition. She is a Kekaha resident, she helps to facilitate the process, and is really working to get the community engaged in the process. We do have one (1) open seat. It is a nine (9) member Committee. We have an open seat. We have been trying to fill it for a couple of years. That is one of the things that Yvonne is work on, being so close to the community, she has a couple of people that she is talking to about filling that seat that. That is our Committee here is the mission statement as adopted by the Committee back in 2009. To serve as a Community Advisory Committee to recommend projects and their Administrative process for the disbursement of the HCB funds allocated to and in accordance with the general consensus of the Kekaha community. That is there mission that was so aptly stated from the beginning.

We do provide support to the HCB CAC program. I have been serving pretty much as the overall Project Manager and the principal liaison with the Committee Members. But I had a lot of support from Mauna Kea Trask in the County Attorney's Office on the legal matters. Nalani Brun has been handling the grants since the grant were award last year. Ernie Barreira is very helpful in financial reporting and answering financial concerns. For the last year, we have also had Ben Sullivan working on one of the projects that has been recommended by the CAC but has to be approved by the Mayor and has been helpful in the technical support on that. I will talk about that later.

As far as financials go, I thought I would share with you the late financial report from the April 10<sup>th</sup> meeting of the CAC. You can see there that the principal balance as of March 1<sup>st</sup> was nine hundred thirty-seven thousand two hundred ninety dollars and eighty-two cents (\$937,290.82). We do accrue interest on that account as this Council so approved a couple of years ago so it shows the interest accrued. We show these on our financial reports on a monthly basis. The total as of March 31<sup>st</sup> was nine hundred thirty-seven thousand nine hundred ninety-one dollars and sixty-five cents (\$937,991.65). Now, there that pending recommendation for the photovoltaic project which is seven hundred eighty thousand dollars (\$780,000) so that is money that still in the fund, but has been set aside until such time as that project has approve. The balance available to grant right now is one hundred fifty-seven thousand nine hundred ninety-one dollars and sixty-five cents (\$157,991.65.)

This is a listing of the grants that have been approved to-date. The CAC went through a process in 2011-2012 to solicit project ideas from the community. They went through an Request For Proposal (RFP) process and they recommended these grants to the Mayor. The top two (2), Kekaha Elementary School and Kekaha Pop Warner were recommended in January of last year and the rest were recommended in May of last year. All were approved by the Mayor, so that is one hundred twenty thousand dollars (\$120,000) that has been spent for all intents and purposes from the HCB funds for these various projects. The Kekaha Pop Warner Project, we are just getting final reports in from them on their projects that will be presented to the CAC on the next meeting next week on the 22<sup>nd</sup>. But the Kekaha Pop Warner, there is a note there that they had some issue with their 501C3 status so they ended up returning that check to us.

Just so you can have a sense of what the different projects were. There was a really nice variety. here was funding for the Kekaha Elementary School to establish a garden that has been very, very successful. The Boys and Girls Club received a grant so that they could do some education with elementary school students on diversion at Kekaha Elementary School and so that was a really nice use of the funds. There is a group called The W sponsored by E Ola Mau that does basketball camps and they were able to provide scholarships to Kekaha youth so that they could participate free of charge in these basketball camps. We also had Saint Theresa School apply for some funds to install photovoltaic and the really nice

thing about this was that the CAC asked the school to set aside up to the grant amount of fifty-five thousand dollars (\$55,000), the savings that they would accrue, so that they could offer scholarships back to Kekaha students and then after the fifty-five thousand dollars (\$55,000) is re-expended, then they would be able to realize the savings back to the school. Episcopal Church – West Kaua‘i was a community garden that was already up and running but needed some support and so they have been active and used that grant very well to further establish the garden. Then the Storybook Theater of Hawai‘i also sponsored a project that a gal who offered theater classes at Kekaha Neighborhood Center and they also did a performance at the Waimea Theater around Christmas time last year. A wide variety of projects that I think the CAC should be proud of having sponsored.

The pending grant is the E Ola Mau photovoltaic project for seven hundred eighty thousand dollars (\$780,000). In a nutshell, that project would provide funding for Kekaha residents to have photovoltaic systems installed on their roofs and the thought they would be prioritized so that those who own and occupy their home and have lived in Kekaha for the longest would be first in line to receive the systems. That was the basic concept of the grant. It was recommended by the CAC to the Mayor last May, but at the time there were many, many questions about how it would be managed. It is obviously a huge amount of money and we want to make sure it is managed properly. We had provided back to the proposers of the project and to the CAC prior to their decision. It was a two (2) page list of questions and issues that we were concerned about. The recommendation came from the CAC with basically a question to work with the group to get project to the point where the Mayor would approve it. So, we have been working with them. Ben Sullivan has been really, really key in that effort to address the issues. It is still pending the Mayor’s approval, although we feel at this point the issues have been addressed appropriately and I think the Mayor is at point as long as the community and the CAC are still recommending, that we feel that it is ready to move forward. But that status of that and there should be an update that the project proposers will be providing next week to the CAC. The group, we call The Uncles, consist of four (4) gentlemen retired in the Kekaha community and have had this idea and have worked very, very hard on just a volunteer effort with good intentions from the heart. They are Pat Pereira, Garrett Agena, Buddie Ayudan, and Dennis Eguichi. We call them “The Uncles.” But we have really enjoyed working with them. They have such *aloha* in their heart and really wanting to do good thing for the community and we are hopeful that eventually this project will happen.

Another question was regarding funding. As you all know, you just wrapped up budget a couple of days ago, so approved in the Fiscal Year 2014 budget there was the additional fund allocation that would go into the basically the grant fund of one hundred sixty-eight thousand nine hundred seventy-nine dollars (\$168,979) and that is in the Capital Improvement Project (CIP) budget. Once that is allocated as of July 1, that would bring their liquid assets in that fund, I guess to use lack of a better term, to a little over three hundred twenty-six thousand nine hundred seventy dollars (\$326,970). That does not include the interest that will accrue up to

that point. That is the amount that would be available to grant to other projects in the coming year and I think the CAC is on track to start another process this summer to get proposals and grant out some more moneys. Then the other approved line item was funding for Yvonne Hosaka's position, the CAC Facilitator, and that is in the Mayor's Office. What was not requested was a request to provide some facilitation support for to the E Ola Mau photovoltaic project (PV) project that we proposed to come out of Office of Economic Development (OED) budget because, as I mentioned, all of those issues that we had on management. It is such a large amount of money and we feel that it is very, very important that the proper support be in place. We are asking for additional moneys to do that, although in the development of this proposed support we would be getting back a plan or a template that would be useful to us in doing other projects of a similar nature where a community or a group of users could come together, purchase systems, save money, and really see that we can go after the idea of photovoltaic in many other ways. The idea was investing more money into the project but then there would be a larger use for it community-wide in a template that could be use the in other communities. That was what the intent was there. That, I think, addresses most of what was in the communication to us. I do not know if there are any questions on that or anything else. I do have, I think, Ben is here if there are any technical questions on the PV project and others.

Chair Rapozo: Thank you, Beth. I just want to add what was not approved was sixty thousand dollars (\$60,000) for the project facilitation support. But I want the public and the members of Kekaha community especially the four (4) uncles to understand that it came over with absolutely no justification or explanation. I want you folks to understand that and we are not in the business of approving funds just because it is in the Mayor's budget report. It came with absolutely – other than the text and as I sit here today, I am still not aware of the specifics of the project. We have never been made aware and hence the request to have this on the agenda today, Beth. I am hoping that we can get to some of that and then the only one question I have before I open it up to Councilmembers. The purpose to have it here is so we can clear the air. If there are rumors flying around the community, it gets settled right here. The proposal that was submitted to the CAC and approved back in 2012, you are saying it was recommended by the CAC in May 2012. So, prior to 2012 the CAC approved the project?

Ms. Tokioka: It was actually approved at a meeting in May of 2012 or it was recommended. They voted to recommend to the Mayor that the project be approved.

Chair Rapozo: Is the proposal that you folks were asking for funding, is it the same proposal that sits today?

Ms. Tokioka: Yes. Well, it is the same concept, it just has more meat on the bones and more...

Chair Rapozo:  
substantially different?

But would you not agree that it is

Ms. Tokioka:

Is it substantially different?

Chair Rapozo:

Yes.

Ms. Tokioka:  
substantially the same.

No, I do not think I would agree. I think it is

Chair Rapozo:

What was the original proposal?

Ms. Tokioka: The original proposal was for the money to go towards installing photovoltaic systems on the homes of Kekaha residents who qualified based on the fact that first of all the homes had to be owner occupied and secondly it would be ranked on the number of years that you have lived in the community of Kekaha. There would be a seniority system and the moneys would be used to buy the systems on behalf of the individuals for as long as the seven hundred eighty thousand dollars (\$780,000) would be.

Chair Rapozo:

Right.

Ms. Tokioka: It was projected at that time that they could buy anywhere from, I think, it was eighty (80) to one hundred twenty (120) systems with the seven hundred eighty thousand dollars (\$780,000). I think in the past year, there were opportunities to do more than that, the money could be stretched farther. But that was the concept.

Chair Rapozo: I guess, that is when the one meeting that I attended with Ross, there was a PowerPoint, I guess, that was available and the PowerPoint that I saw was substantially different. It included some options where we would have an external, I guess, a lending institution come in, leverage this moneys, and offer the community to borrow money to pay for their systems. That is not the same as this money paying for a system. In other words, if I lived there or not me, somebody that lived in Kekaha, in the proposal that was approved was that they would go in and apply and based on the criteria, they get a system, free of charge. The new proposal, they would apply, and they would be given a loan.

Ms. Tokioka: Well, let me explain that. The two (2) major areas of concern that the Mayor had when the project came over to him was one was that there did not appear to be appropriate project management in place. You were basically expecting these four (4) volunteers to manager this huge project. Secondly, is there a way to stretch the money so that more residents could benefit? When we started working on this, and Ben Sullivan started to work with the uncles and the consultants that they had been working with which was the Council for Native Hawaiian advancement, that they started to talk about different ways that

we could impact more homes. One of the initiatives around the Country called solarized initiatives that have been in place that the concept was that there would be a Revolving Loan Fund and that the residents could access very low interest funds. Basically, it would be at a net no cost to the consumer. So, you apply for the loan, hopefully you qualify so that the loan amount is no more than your electric bill. So, you are basically paying your electric bill but you are buying the system and eventually you own the system. The option that was presented, and it was just an option because there were several options and one was the original concept, but we just felt it was important to look at different ways to stretch the money. One of the options that was presented was to do this Revolving Loan Fund and the real benefit to that was that at the end of the day, everybody in Kekaha potentially could have a system in place and you would still have the seven hundred eighty thousand dollars (\$780,000) in place and to use for other purposes. They could repurpose it to another type of loan program or however. We felt it was important to put at least put that option out there. It was not well-received to the CAC, the Citizens' Advisory Committee. They felt like they wanted to stay true to the original concept and I probably should not speak for the uncles and they are welcome to come up and speak for themselves. But I think after the uncles took it very much to heart and they felt that if that is what the CAC wants, then that is what we will do. We were looking at different options as to how to stretch the money, but if they want us to go back to the original concept then that is what we will do and that is where they are now. They have gone back to the original concept. They went back out to the community on April 3<sup>rd</sup> and presented that back to the full outright purchase of systems for a finite number of homes as far as the seven hundred eighty thousand dollars (\$780,000) will stretch. That is where we are now.

Chair Rapozo:  
dollars (\$60,000)?

Why the request for the sixty thousand

Ms. Tokioka: Well, there is still a need to manage that money, to be accountable for that money, and to run the process of qualification which probably has the most potential to go awry to make sure whatever criteria is applied so that people who are getting these systems, the criteria is applied appropriately and consistently across the board. There still is a need for some management of this project beyond the goodwill and volunteerism of the uncles. We feel that is very important. The only thing that changed is what we have asked them to do in addition to that is to outreach to others who will not benefit from the systems because they do not meet the criteria, that they would be given options on other programs, loan programs. There is actually something coming down from State, I think, next year where you can actually pay for a system via your electric bills, that is a new program. Part of that will be outreach to everyone else in the community who does not benefit from a system, but they will know what their option are to access them via other loan programs. Again, that is something that we feel strongly will benefit the community and we will also, again, get a template back that could be used in other communities for bulk purchases of systems.

Chair Rapozo: Well, the other communities do not have host community benefits. I think that is what separates Kekaha from any other community right now. No other community has a eight hundred thousand dollar (\$800,000) or one million dollar (\$1,000,000) fund sitting and waiting for the community to decide what they are going to do with the money. The other thing is I have been reading a lot of the minutes online and I really appreciate the minutes being online. But it does not seem there has been a lot of discussion at the CAC involving the options and so forth. I mean there is discussion on the project, but I just want to make sure that this is driven by the CAC and not the Administration.

Ms. Tokioka: No. well, what happened was that after May, the CAC took a break and they had their first meeting again in October. At that meeting the uncles were present, Ben was present, and they did a presentation on where they were at this point. Where they were at that point was still in discussion of how to best manage and present this project. At that meeting they talked about where they were at and they say that the more research needed to be done and that various options would be presented probably around the first of the year. Then they appeared again at the meeting that you are referring to, Councilmember, in February, where they did present those options to the CAC and again, the CAC really felt at that point that they did not want to see other options. They felt very comfortable with what was already recommended. After that the uncles regrouped and came back to the community in April and basically – they went back. They took the CAC's discussion to heart and they said, "Yes, we will go back to the original concept."

Chair Rapozo: Thank you. Mr. Kagawa.

Mr. Kagawa: I will let you know what I gathered, is that the sixty thousand dollars (\$60,000) is basically going to pay for the consultant that will help do that and the reason why you folks came with that request was that you did not want the sixty thousand dollars (\$60,000) coming out of the seven hundred eighty thousand dollars (\$780,000), is that right?

Ms. Tokioka: Yes, we actually – our first discussions with the uncles was that we felt that part of the seven hundred eighty thousand dollars (\$780,000) should go to project management because normally in a project like that, ten percent (10%) or so is going to go to Administration. We felt that was a piece that was lacking, but they were adamant that how they presented the project to the community was that every penny of that seven hundred eighty thousand dollars (\$780,000) would go to photovoltaic systems and none of it would go to Administration. We were kind of in between a rock and a hard place and the Mayor very much wanted us to somehow empower this proposal to go forward and yet, he could not approve it without knowing that there was not the proper support in place. The compromise that we came up was not to just throw additional money at it, but that there would be something in return for us which would be the template



that we are talking about that would provide a roadmap for other communities that could utilize it in the future.

Mr. Kagawa: Well, I think when we add things such as the sixty thousand dollars (\$60,000), such as the forty-one thousand dollars (\$41,000) to your budget. That was intended for the increase in the Tipping Fees that did not pass, but we still passed here at the Council because we feel like we owe them something after last year, after this recent year deciding that we were going to go with the vertical expansion instead of the lateral expansion. I think we feel that, the Council felt at least by a majority of vote, that we had kind of changed the terms of the landfill situation immediately without asking them because we needed it due to the permits and things. I thank members for supporting that request and I just wanted to inform the community members and the Board that we added forty-one thousand dollars (\$41,000). But the sixty thousand dollars (\$60,000) did not pass because I think members were unsure of listening to my word that the sixty thousand dollars (\$60,000) was in fact, intended to cover the consulting fees that the Administration, you folks, feels it is a requirement. I think they wanted to do it in-house as far as with donations and things. But I think that the Administration overseeing and working together side-by-side with the group feels that it is – I think would more solidly covered if we have a paid consultant to oversee the project. Is that right?

Ms. Tokioka: We definitely feel that – it absolutely has to have some solid management there and that would come at a price. I mean, again a project like this would normally have an Administrative budget of ten percent (10%) of the project, that is ten percent (10%) to fifteen percent (15%) is normal. We are kind of at a point and I am not pointing the finger at the Council. I do understand why you do not want to make decisions based on a lack of information. I totally understand there was a lack of information there. At this point though, we cannot approve the project until we know there is money somewhere whether it is in the project budget, whether it is additional moneys from the HCB fund, or some other allocation on General Fund side that we might all agree to. But we cannot move forward with the project until we feel there is solid management in place. We just feel like – especially when you have a situation where certain members of the community will receive the direct benefit and others will not. It has to be done without question based on criteria that is very strictly applied. Again, we love the project. We support the concept. We want to do what we can to make it happen. But that is non-negotiable, there has to be management there.

Mr. Kagawa: My final question or comment is that – and I am new to the game. I was not on the Council when we set up the Host Community Benefit group. But my thing is it is great that we are informed as much as possible. You can never listen enough to what is going on out there, but I think the intention of, I am from the West Side, but I am not a part of the Kekaha community. I like the Board. It is a good mixture from what I heard. I like the Board. I like the members that are helping the Board. I do not think they agree all the time just like

us here. But I think in the end, it is what they want. It may not be what we here agree with, but I think we need to support them and these people are definitely trying their best to do what is right. I think utilizing the sun out in the West Side, that is definitely something we do not do enough of. The Kekaha sun can always surprise you when you do not go there too often. It is hotter than you think. If we can to utilize the sun, it totally makes sense to me. I just hope that you folks can help Kekaha Host Community Benefits to get what they want because I think our job is to continue funding that project and their job is to decide how to spend it. That is from me. Thank you.

Chair Rapozo: Hang on really quick. I have six (6) registered speakers. If we want to get through them before lunch then I am going to have you folks testify now. Are you folks all coming back after lunch or did you want to testify before lunch? All six (6) of you? Okay, Beth. Just one (1) of you will testify before lunch? Go ahead.

Ms. Yukimura: Thank you. Beth, thank you for your work on this and I believe it is a very exciting project and the whole concept of Host Community Benefits and how the community has – I know it is been a difficult process because it is been a pioneering process, but what is unfolding is very positive. My question is, as Councilmember Kagawa mentioned, there was an additional forty-one thousand dollars (\$41,000) which was calculated according to the increase of the solid waste fees, because the fees were going to be increased, there was going to be additional Host Community Benefits. Now, the fees were not increased so the forty-one thousand dollars (\$41,000) actually has no base to come from. But the majority of the Council, in its wisdom, decided to keep those moneys there. It is kind of an extra Host Community Benefit without a rationale to the formula and wondered if that could be used because it is a bonus. It is really not part of the regular Host Community Benefits. Can that be used to address the consultant needs?

Ms. Tokioka: I think it could. It would need to be a recommendation from the CAC though.

Ms. Yukimura: Right.

Ms. Tokioka: Yes, I think that is a reasonable suggestion to make.

Ms. Yukimura: I recognize that you need to go to the CAC, but because there are people here from the CAC, I would like to request a consideration of that because that will enable this project to move forward. Now, you are minus twenty thousand dollars (\$20,000) then. Oh, sixty thousand dollars (\$60,000) minus forty-one thousand dollars (\$41,000), sorry? Nineteen thousand dollars (\$19,000), yes. The question is can you manage on forty-one thousand

dollars (\$41,000) or do you need an additional amount to proceed and I leave that to be decided within your CAC.

Ms. Tokioka: Correct. Again, if there is any gap, I guess, we could also ask the uncles to reconsider if there was a small amount from the actual seven hundred eighty thousand dollars (\$780,000) that could be provided that would fill whatever gap might be remaining.

Ms. Yukimura: Yes. There are many different ways to put the pieces together and I do acknowledge that it is a CAC decision. But it could be a way to make the project to move forward. Thank you very much.

Chair Rapozo: Councilmember Nakamura, follow-up question.

Ms. Nakamura: Thank you, Beth, for that presentation. Really, this is the first time that I have gotten this level of detail and I really appreciate it. I wanted to just go back. If we are looking at a ten percent (10%) of project management and it is a seven hundred eighty thousand dollar (\$780,000) grant that we are looking at, ten percent (10%) of that is seventy-eight thousand dollars (\$78,000). I agree that project oversight, project management, and accounting of those funds need to be tight because it all leads back to our Comprehensive Annual Financial Report (CAFR) and the County's financial picture. So, we need to have those controls in place. Now, if the forty-one thousand dollars (\$41,000) is in there, it is kind of new found money, not anything you budgeting for. But if we can use that toward the project management and if we can ask the CAC to come up with an additional thirty-seven thousand dollars (\$37,000) from the allocations that are now going to be available, then we will get to the seventy-eight thousand dollars (\$78,000) and would give the County the assurances to then move and spend the seven hundred eighty thousand dollars (\$780,000) that has been sitting there for many years. I would like to throw that back to the CAC as a possibility to make the seven hundred eighty thousand dollars (\$78,000) a whole and to secure a consultant that will help to meet those goals.

Ms. Tokioka: Thank you.

Chair Rapozo: I have a follow-up question before Mr. Hooser, really quick because it is directly related to Councilmember Nakamura's question. When we go out for a consultant, do we not do an RFP?

Ms. Tokioka: Well, in this instance, the uncles were working with the Council for Native Hawaiian Advancement (CNHA). When we started talking with them back last summer and we were making suggestions about project management, we had recommended an organization called Blue Planet. I know that they have talked to various entities and they feel comfortable with CNHA and they feel very strongly that that is the partner that they would like to

work with. Now again, we are trying to empower them as best we can. Ben has been in consultation with Robin and we feel very comfortable that that entity can do the work. We have seen what the scope of work looks like. They have indicated that they could manage the project for sixty thousand dollars (\$60,000) so that is why that is the amount that has been placed out there.

Chair Rapozo: Beth, I guess my...

Ms. Tokioka: So...

Chair Rapozo: Go ahead.

Ms. Tokioka: They have identified a partner they would like to work with and so we have talked to Ernie Barreira and he has said that we can procure the services through the facilitation exemption. So, it would be an exempt procurement and that is how we would plan to go about securing the facilitator/coordinator.

Chair Rapozo: I guess I am confused because earlier you said that you are going to go back to the original proposal of just a finite number of homes so we needed a Project Manager to take care of the applications and all of that. You are saying it is for consulting services and I am saying that there are others that can provide that service. How would we get – I guess we will send it so I will not do it today on the floor. We will do it in writing.

Ms. Tokioka: Sure.

Chair Rapozo: But I am concerned because I believe if it is for consulting services, we just went through that not long ago and we got dinged for it. We are here talking about increasing the money when we should be going out to bid and say that this is what we need, you submit, and the lowest bidder qualified will get the bid. That is what we should be doing. But we are here putting the moneys out and I understand Councilmember Nakamura's intent is to hit the ten percent (10%) mark that you said. But now we put our cards on the table and say now we want to go out to bid and we know that the Council will approve seventy-eight thousand dollars (\$78,000), so guess what, I am going to make my bid. I am not comfortable. Has this process been vetted through the County Attorney's Office

Ms. Tokioka: Yes, it has.

Chair Rapozo: It has? Wow, that is interesting.

Ms. Tokioka: I was reassured before this meeting that that is a proper way. There are many ways we could procure, but that is a proper way to go about it. It is really again, trying to empower this community based group that

has a team in place that they feel comfortable with and we feel comfortable. If we had chosen a partner that we felt did not have the capacity to do the work, we certainly would have certainly objected. But we feel that their partner is experienced in this area and perfectly capable.

Chair Rapozo: I guess, Beth, I may share that feeling as well. But we cannot get around procurement. We cannot get around being fair and equitable with public money. I think that is – and that is the kind of feeling that I am having is that it is all been done, we are moving forward, you are coming to us for money, and I am like hang on, time out. As you can see, there are many concerns about procurement that we need to address. Whether it is a good project or not, it is irrelevant. The fact of the matter is that I do not want to be caught with our pants down.

Ms. Tokioka: Right.

Chair Rapozo: Councilmember Hooser.

Mr. Hooser: Just a couple of questions. The CAC has approved this project that we are describing?

Ms. Tokioka: Yes.

Mr. Hooser: Okay. I just wanted to be clear on that. The facilitator is a sixty thousand dollars (\$60,000) a year position?

Ms. Tokioka: For the CAC?

Mr. Hooser: Right.

Ms. Tokioka: Yes.

Mr. Hooser: To me, that is almost a full-time position, sixty thousand dollars (\$60,000). How many meetings a month?

Ms. Tokioka: There is one (1) meeting a month. That also includes all of – she does all of her own photocopying of agendas and all of that work so there are expenses involved.

Mr. Hooser: So, the sixty thousand dollars (\$60,000) for that then the sixty thousand dollars (\$60,000) to manage, that is one hundred twenty thousand dollars (\$120,000). That is a lot of money.

Ms. Tokioka: This one, for the PV process, would be a one (1) time expenditure just to manage this project, yes.

Mr. Hooser: Right, it still seems like a significant sum. It sounds like a very good project. I assume you are going out to bid in terms of a vendor to supply these photovoltaic, get installation, and all of that.

Ms. Tokioka: Yes. I think...

Mr. Hooser: I do not need the details.

Ms. Tokioka: There are some various options. We want to take advantage of bulk buys as much as we can, but also give the homeowners some choice. What I have heard is that there might be a list of two (2) or three (3) vendors that they can choose from. There are a number of ways that it could be rolled out. But yes, there would be a selection process.

Mr. Hooser: I think we all want to support the Kekaha community and such a project. The context, I think, is important. This is a budget where we have been asked by the Administration to raise taxes throughout and to cut many areas including senior citizens Meals on Wheels and then to get, what I ask a last minute request for sixty thousand dollars (\$60,000) to go on top of a one million dollar (\$1,000,000) fund to help the project which is just kind of difficult to find it. I believe we did – your discussion about the additional forty thousand dollars (\$40,000) or forty-one thousand dollars (\$41,000), and so I would hope – you said it was non-negotiable, but I would hope that was not necessarily the case that we could take the resources that we have whether it is the forty-one thousand dollars (\$41,000), existing resources in the Mayor's Office, in the Office of Economic Development, resources possibly Kaua'i Island Utility Cooperative (KIUC), I would imagine they would be interested in this kind of project. Kaua'i Economic Development Board (KEDB) and other partners that might be willing to step up to the plate to help make this happen in addition to the County. Have you explored those options?

Ms. Tokioka: No, we have not. Again, I think to not pay for management of this project is really –we feel very strongly that it needs to be someone who is being held accountable for the results.

Mr. Hooser: If I could just interject for second. I am not asking not to pay for it. It is a question of how it is paid for whether if it as done for the Office of Economic Development, that Office, or the County would be paying for existing resources. I do not expect to implement a project without any management.

Ms. Tokioka: Well, I do not think we have the resources. We need to have somebody to manage it so there are non-existing resources within the County to do this job. Again, the uncles made it very clear who they would like to work with, who they feel comfortable with, and we want to empower that partnership as best we can. We have vetted the procurement issues. We do not feel

there is say procurement issue and so we are trying to make this project happen in the way they envisioned it as best they can. It is not we are not open to these other things. We need to talk to the uncles and see what they are comfortable with.

Mr. Hooser: If I could, I am not clear about the position of the uncles or the position of the CAC. So, the CAC works with the uncles, right? Does the CAC support the same vendor, if you would, that the uncles are supporting? Is that who the CAC wants to hire also?

Ms. Tokioka: The uncles are actually the grant applicant. They applied for a grant to the CAC. The CAC is the advisory body that oversees the fund and makes the recommendation as to how it should be funded. Just as Kekaha Elementary School and Saint Theresa's, they applied for a grant.

Mr. Hooser: Through the uncles?

Ms. Tokioka: So, that is their relationship. The uncles did, yes. It is the role of the CAC to vet the proposals and to let the Mayor know which they recommend. So, that is the relationship between the two (2).

Mr. Hooser: Who is asking for the sixty thousand dollars (\$60,000)? That would be the uncles? Is that through the Mayor's Office.

Ms. Tokioka: Well, yes. When the CAC recommended that the project be funded, we were all unclear as to how it would happen. There were so many unanswered questions and the expectation was that we would work with this group to close the gaps, answer the questions, and get it to a point where it could go forward. That was their request of us to work it until we could get this thing ready to go and approved. We began working with the uncles on answering the questions and addressing where we felt the shortcomings were. One of these were the issue of project management and that is how this evolved through their feeling that none of the funds in the grant should go to project management because they had made a commitment that it would all go to the photovoltaic systems. That is when we started to have those discussions of how else could we pay for it? Then we felt we would be willing to offer that, but again, we would want something in return that would benefit the greater community. I am not sure if that answers.

Mr. Hooser: Just one more little follow-up because I appreciate a lot of moving parts here.

Ms. Tokioka: Absolutely.

Mr. Hooser: And I am catching up on this. Then it would be the CAC's decision whether to utilize that forty thousand dollars (\$40,000) extra money, not the uncles necessarily.

Ms. Tokioka: Exactly.

Mr. Hooser: Then the CAC's decision on which consultant to use also?

Ms. Tokioka: I do not know. This is all new ground. I know that...

Mr. Hooser: Do they support the same vendor choice?

Ms. Tokioka: I do not know that that discussion has happened between uncles and CAC. They will be providing a full update to the CAC next week and that was planned to be on the agenda because I think the CAC – what I had heard from Bruce and others was that they wanted to find out okay exactly it is a year later, where are we at, what has changed, if anything, and then give a final kind of re-recommendation, a re-stamp of approval to it based on where it is today. So, following that meeting, depending on how the CAC feels, we will either be moving forward or not.

Mr. Hooser: Great. Thank you very much.

Chair Rapozo: Mr. Bynum.

Mr. Bynum: At the end of the day with this project, the selection criteria, and then a thing is installed, who writes the check to the contractor?

Ms. Tokioka: Well, the way the project was proposed, E Ola Mau, which is the community organization in Kekaha is the fiscal sponsor.

Mr. Bynum: They write check?

Ms. Tokioka: It would be that we would be dispersing funds to E Ola Mau and then they would be in turn dispersing funds to the vendor. Those are some discussion that we need to have with E Ola Mau because they have their own concerns I think. Once we got deep into the discussions, they had their own concerns about if they can function that way and maintain their 501(C)3 and those may have been answered. But they had some good, important questions about their own involvement and how that might impact them. but that is how – so the way these grants are set up, there is a fiscal sponsor which was E Ola Mau, the grant moneys would go to them, and then presumably they would be paying.

Mr. Bynum: These previous grants that have already been distributed, who wrote the checks?



Ms. Tokioka: Well, for example Saint Theresa photovoltaic, we wrote the check to Saint Theresa's and they...

Mr. Bynum: The County did?

Ms. Tokioka: ...and they in turn paid their vendor that was installing the photovoltaic.

Mr. Bynum: I do not want to go into all the details, but the County has a history of empowering local groups in similar fashions both for big and small projects and I like that that way. It looks like a lot of really good work has happened to collaborate, and you have used the word a bunch of times and I appreciate it, "I want to empower the community to do that" within the legal passports making parameters making sure that we do our responsibility to see that we do not have a big controversy because it was not done correctly. So, I applaud all of that a lot. The other thing I would say is that any non-profit that works these kind of activities or groups know that there is Administrative costs. We all wish we could put every penny to a grant towards services, say I was in social service. But we know we have to provide that infrastructure, right? To me, whether you call it sixty thousand dollars (\$60,000) for this, it is just sixty thousand dollars (\$60,000) more dollars into this pot. I think part of the coming to grips with the way things work is to realize that you do projects, there is Administrative costs. If the County is supporting that, that is just additional above and beyond the formula kind of contributions. Anyway, thank you for all that good work. But I hope it does continue to go through non-profits because they have more flexibility and there is a legal way to do that, the County is pretty adept at that in say the Department of Parks and Recreation. Thank you.

Chair Rapozo: Thank you. I guess I see it a little different only because this sixty thousand dollars (\$60,000) is separate from the disbursement to the non-profit. The County is actually paying for consulting services.

Ms. Tokioka: Correct. That would not be part of this grant, it would not go to the E Ola Mau group. It would go directly to the facilitator, yes.

Chair Rapozo: Correct, therefore, if it did, if the grant approved by the CAC and the Mayor was for the non-profit and they decided to go hire a consultant, they can. But in this case, we are saying we are going to give the money to the non-profit, but we are going to give (x) amount of dollars to this vendor of our choice without going through the procurement. I think that is the problem and we will pursue.

Ms. Tokioka: Well, it is the vendor of their choice. But the whole thought was that it is an actually a greater County project than just this one.

So, the accountability is back to the County to provide that report back so it will be useful in the future.

Chair Rapozo: Right, but it is if we were going out to a consultant to go and do a template for anything. If we wanted to go out professional services contractor, I thought we learned our lesson recently. But if we go out for a professional services contract which is going to give us a product in return that say this is the template you can use for future projects, I would argue that that would require going through State procurement process. But we will pursue that in writing because I would like to see the opinion on that. At this time, Beth, I am going to ask you to step down. I wanted to get whoever wanted to testify before lunch. The rules are still suspended. If you could state your name when you sit down so the captioner can get it. You have three (3) minutes.

There being no objections, the rules were suspended to take public testimony.

DENNIS EGUCHI: Chair and Councilmembers, thank you for giving me this opportunity. I understand I have limited time, but can I give you a really fast review as to why we are at now? Basically the four (4) of us, every step of the way that we have gone even including with coming up with the grant, we came up with the idea that we would hold a community meeting and we asked the community by hands voting, do you guys want this? So, they take a vote and then we move forward. Now, we ask them what do you want in this particular PV project? How do you want to go ahead and decide who gets the system and who does not? Suggestions from the community, we take a vote, and we move forward. After we put in the original grant proposal, we thought we were on the road with the community's support in just going forward. Then we have the County says, "You need to hire a Project Manager and if you can also followed the plan called Solarized Massachusetts or take ideas from it." We spent a whole bunch of time with the County, finding somebody that would do the project, working with Solarized Massachusetts so we changed it and called it Solarized Kekaha. Then we started to progress again. In the meantime the CAC, at every update we go to, we get questioned. Well, one of the biggest concerns is still that you are going to only do a handful of residents in the community and not everybody, how do we try to remedy this? We stepped back again and tried to come up with all of these different proposals and what we did was we presented it to the CAC by telling them that the last say is still by the community. We will run it by you folks so that you folks can understand what we are looking at because you folks are asking us to do this. We run it by them, we go back to the community meeting, and at that community meeting we had two hundred fifty (250) members from the community there. Now that it is hindsight, maybe we should have invited the Council there just to see how much community support we had. But at this meeting, the community says, "We already voted on what we wanted. Why are you guys doing this to us? Why are we not going forward?" We start back again and we are back to the original proposal. So, it has not so much to do with the CAC's input other than suggestions to us which we tried to see if we could accommodate. But because we

have been trying to accommodate the County, the CAC all along the way, that is why it has been a year plus later and we are still here. We originally wanted to do it pro bono which we were told no. We brought in contractors and the contractors laid out specific plans with the County as to how the process would be done. We told the person that was a contractor, "You are not going to get this contract, you are just proposing it and we are going to put it out for bid" But we are still told that you need to follow these processes. Again, like I said, we had to step back and go through the whole process.

Chair Rapozo: Hold on real quick. Was that three (3) minutes? That is your three (3) minutes. Anybody else wanting to testify before lunch?

Mr. Eguchi: One last closing.

Chair Rapozo: Go ahead, you have three (3) more minutes. Did you want to Buddie?

Mr. Eguchi: Everything we do, we have community support. We do nothing without bringing it to the community first, they are taking the vote. We worked with the CAC and we are not sure how much support the CAC has by the community because when they come up with suggestions a lot of it is not going back to the community. We do not know where the suggestions come from basically. But it is not community based a lot of times. Like I said, we always make sure that whatever we decide on goes to the community, they make the decision before we do any presentation. Thank you.

Mr. Bynum: Thank you.

Chair Rapozo: Any questions for Dennis? If not, hang on.

PATRICK PEREIRA: I am a Kekaha resident. I am with the other three (3) brothers in this project. As you just heard, the project is for the people, by the people, and of the people. All the ground rules and everything is made with the community's input, direct input, and that is what we used. The County wants to kill two (2) birds with one (1) stone, I have no problem with that. We have no problem with that. But we went to the Mayor and I tell you right now we told the Mayor, "Seven hundred sixty thousand dollars (\$760,000) or seven hundred eighty thousand dollars (\$780,000) is not going to get seven hundred forty-eight (748) owner occupied homes in Kekaha a system." At the rate we are going and the rate that they are paying the Kekaha community for that landfill, we will never get there. That is why I came twice before, you know, and beg you folks to consider the initial proposal proposed by, I think it was by Mel and Mrs. Carvalho back there. You are not going to get it, but we have to do something for help these people. This project, if you look at of the projects this project and project "W" is the only project that addressed the first ground rule of the CAC, that the Kekaha resident will

receive the gift. But how can you tell schools no? It is very difficult to tell schools no. We understand that, right? But when we went to see the Mayor and he wanted to do this, right? Solarized Kaua'i. They wanted us to look at Solarizing Massachusetts, Solarizing Portland, Oregon. Furthermore, when they said we needed a management of this fund, they never offered us management people. We had to go find our own. So, you are going to find somebody that you are familiar with, somebody that was already helping people in big projects, and that is what we did. To this day, she works pro bono helping us. No payola. The payola will come in when the project gets underway and she has a couple of the girls staffed there in Kekaha to do all of these items that they say to the County that they are going to do. I think you can get all of those items from the County. It appears to me that the right end of the County and left end of the County, the communication is not clear with each other. But when we went in there and we had the meeting with the Mayor jumping back on that bandwagon, we told the Mayor, "Seven hundred eighty thousand dollars (\$780,000), we are not going to be able to offer everybody. So, you know what, Mayor, we are not taking money out of the seven hundred eighty thousand dollars (\$780,000)." He jumped right up there and said no problem, we will find the money. Hey, that is the least of my worries now. But now, if that does not get funded we are back to square one because they are not going to let the brothers do it. I will tell you something, E Ola Mau the way we see it now, they are not qualified to do it with that huge amount of money. We have not even received a "yes" or "no" from E Ola Mau. The wheels in our heads are turning now. If they cannot help us, who are we going to? I think Dennis had already talked to Waimea Business Association and they are willing to do it if it comes to that. So, that is my plug. Every bit of the way, everything that we have done was because we got questioned either by the County or the CAC and this project is getting much more difficult by the day and all we want to do is get these things up and rolling, that is all with we want to do. You send the money to the CAC, the CAC is going to tell us – I will tell you right now, they are going to tell us, "You folks have enough money, take it out your fund." I do not think that is fair to the people of Kekaha. I do not think it is fair at all because there is no guarantee that next year when we apply for the loan to continue the loan, that we are going to get the support of the CAC. There is no guarantee. The only guarantee we area going get and you probably cannot do it legally is to throw moneys in the Kekaha coffer and say, one hundred thousand dollars (\$100,000) of what we throw in there going to the photovoltaic, the solarization of Kekaha or whatever you want to call it. I do not know if that is legal because the Host Community Benefit Fund, you say the whole community, but actually the way the rules are about owner occupied and then from the oldest that lived near the dump and besides people, do you know how long the dump has been there?

Mr. Furfaro:

1953.

Mr. Pereira: That is right. That is what, fifty (50) plus years and by the time it is finished, they gave us an overview like 2021 we are going to get a different place for dump. You know what I hear?

Chair Rapozo: Mr. Pereira.

Mr. Pereira: Yes, sir.

Chair Rapozo: I have to stop you at six (6) minutes.

Mr. Pereira: Okay.

Chair Rapozo: I do have a question though and it is something that you brought up. You said, "Next year when you apply for the loan, what if you do not get it?" What loan were you talking about?

Mr. Pereira: Not loan, the grant to continue because the fiscal year going to be over in – County is in July, June?

Mr. Furfaro: June 30<sup>th</sup>.

Mr. Pereira: June 30<sup>th</sup>.

Chair Rapozo: So, the money is there. So, the money is already in the account. It does not matter. Let us say the money goes out, right, because if this things goes through, the seven hundred eighty thousand dollars (\$780,000) will be gone?

Mr. Pereira: Well, as soon as we start using it, the seven hundred eighty thousand dollars (\$780,000) cannot be touched, but for the project, right?

Chair Rapozo: Well, it cannot be touched now from what I am hearing. That is what I heard in the presentation. Anyway, so as these units go up on the rooftops, obviously the money will be dwindling.

Mr. Pereira: Yes.

Chair Rapozo: So, you are saying next year you would apply again for the grant?

Mr. Pereira: For continuation, yes.

WAYNE "BUDDIE" AYUDAN: I knew you were going to bring that question up.

Chair Rapozo: Hang on real quick. Any more questions for Mr. Pereira?

Mr. Pereira: Ask me anything, I will try to answer it.

Chair Rapozo:

Thank you very much, thank you.

Mr. Ayudan:

Can he stay here?

Chair Furfaro: You can stay. I said only one (1) was going to testify before lunch and now everybody is raising their hands.

Mr. Pereira:  
my boisterous voice.

I would like to thank you folks and excuse

Chair Rapozo: No worries, I have the same problem. Go ahead, Buddie. If you could state your fame for captioner.

Mr. Ayudan: For the record my name is Wayne "Buddie" Ayudan. I knew that question in. You put it out on the table to have everything come out on the table today, anything and everything. Originally, the proposal that went through, we asked for eight hundred thousand dollars (\$800,000). Our Chairman from the CAC, Mr. Pleas, he came out and he surprised us at the proposal night. He came out and he rendered the seven hundred eighty thousand dollars (\$780,000) with a referral of eighty percent (80%) of the pending funds that are to come in, would go towards the project to continue it to the longevity to have it so that everyone could benefit. I guess it was approved in a sense but it was recommended by him and with that in the picture we took this back to the community. We were all surprised that he was happy. We brought that back to the community, so there is a little misconception here as far as how some of the things are being – what they might say told, herd, and not in black and white. But anyway, whatever the funds that would be continuing into the Kekaha Host Community Benefit, we will pursue whatever we can to continue and the County, ourselves, and the CAC all looked at a bunch of different scenarios and that is part of the reason it has been so long, I think. At one of our last meetings it came to the point that the people said we voted on it already and the CAC Board Member brought it out and said this is not what I originally approved. We did not change the proposal, but we are at the point that all we are waiting on is to get our first dollar and yes, the Mayor did approve it. I have him and his approval. We conferred some of this to some of the meetings so it is not that it is not approved, it is approved. If I want to, I can prove that also. But now where we are at is, is everybody happy? Can we start going? The funding portion that is on the table, the sixty thousand dollars (\$60,000), it was not a request from us. It was additional fund that was first given to us through the Mayor's Office have it off and running. I am almost positive that if you ask anybody concerned, everything that we are stating is out there as public record so I know that whatever I said, you can get that from anybody. If you have any kinds of questions, even if it is not in your mind now, you can call us and we can meet and give you the right answers because all we are doing is referring back from all of our community residents. We are only

speaking for them. Japanese would call that we are the (inaudible). But anything that you think might be of a question.

Chair Rapozo: Well, thank you, Buddie. I guess for us here and I speak for myself, but I would assume everybody is in the same boat. The right hand die not tells the right hand. The right hand did not tell the left hand anything. They Mayor, I guess, promised some money that he said they would find and he never tell us. It comes over to us the night before we start deliberations and like I said earlier, I am not going to beat a dead horse. But my point is this Buddies, we do not know the project. I have been to a few of the meetings, but we do not know what is transpiring. Again, I am only speaking for myself. Maybe others are more aware. This is a huge project. This is a multi-million dollar project when you are looking at the entire Kekaha, multi-million dollars. It is not something that the Council is just going say okay. I do not appreciate the assurances. We were just told today that the project was not approved yet. just toady, from Administration today and yet you were told that it was approved. I can tell you it is right here, pending grants, recommended by the CAC May 2012 pending the Mayor's approval. So, not only is the right hand not telling the left hand, but the right hand is telling other people different thing than he is telling the left hand. We will definitely take a look at that. Maybe they did not let Beth know. Any questions for Buddie? Councilmember Yukimura.

Ms. Yukimura: Yes. Well, for all of the uncles, first of all, thank you for your work on this. It is a really big vision in terms of what can happen for the Kekaha community and like you said, you have been working a long time on it but when you are trying to do something new, it sometimes takes a long time. Yes, sometimes there have are all of these requirements and things. But if you persevere, I am sure you will get to your goal. We want to help and there remains to be some pieces to be put together yet. there is this additional forty-one thousand dollars (\$41,000) that was not in the budget because it was based on the solid waste fees that did not happen. But still nonetheless, it did stay in the budget so it is possible for you to work with. I think I do – this is such a big project, you do need some management and there are issues yet that you have to work out, right? Even with KIUC because I have a photovoltaic system myself and I will tell you, when what that cloud goes over the energy just drops, what you get. So, you are going to make sure you have the backup and all of that. But do not give up because you are onto a really good thing and I know that everybody wants to make it work.

Chair Rapozo: Questions please, just questions.  
Councilmember Kagawa.

Mr. Kagawa: This is my question, is there disagreement between you folks and the Board?

Mr. Ayudan: We have no disagreements. Everybody had worked really hard at all of this and everybody is trying to look at best possibilities

for our community. Although everybody had a different job in the picture, like JoAnn just stated, we worked with the County really good. We worked with KIUC. We worked with our CAC Board. Everybody has a piece of the pie in here and everybody's concern is to make sure that we do the right things. To reiterate, if we did the right things, I think the answer comes from the community and the community overwhelmed and the only question they have is when do we first with our first dollar? When you folks come out to our meetings, if there is no productivity there is nothing that you are happy with and you give us all the funds, you give people and the County staff to get it going, and we are stuck right here. I do not think so. It should not be that way because we need to work through all of the problems. I am almost positive all of our problems have been met and on the side of the County's side to further and to do better for our County that was part of the reason why the funds were given to us because it is not only for Kekaha. Kekaha is just one of our towns on this island. The rest of the community will take this template and they will run with it too. So, that is the benefit to the island and the County.

Mr. Kagawa: I guess, I asked the question whether there was disagreement because if you folks and the Board are okay on this, obviously the community is behind it, you have the Mayor's Office is behind, you have us behind it, where are we going wrong? Where is the problem? You know when the Police say, where is the problem and we can solve it.

Mr. Pereira: Okay, I am going to tell you where the problem is. Number one, we had to get a management of these big moneys. Number two, nobody gave us the protocol on how to get the management. So, it was left on our shoulders, right? It was left on our shoulders. So, we go and get the management. But now how come, because the CAC is asking the same questions as you folks. How come you are going get management and we have no see and the Mayor is giving them sixty thousand dollars (\$60,000) yet to run the program?

Chair Rapozo: Mr. Pereira, I have to stop you because your time is up, his time is up.

Mr. Pereira: Okay, he asked me to say here.

Chair Rapozo: No, I know. I want to continue this discussion.

Mr. Pereira: Mel, can I tell you something?

Chair Rapozo: Yes

Mr. Pereira: Can I say something?

Chair Rapozo: Sure.



Mr. Pereira: I do not want to hurt any feelings because I think you are wonderful bunch of people – I cannot do the job even that much what you folks do. But I will tell you something, it is chicken feed what Kekaha community is receiving for the landfill.

Chair Rapozo: I agree.

Mr. Pereira: It is chicken feed. We are going to end up with the landfill almost seventy (70) years or sixty (60) something years and that is what we get? Yes, we have to name is after everything is done. The landfill is going to stay there, Mount 'Ōpala, Kekaha.

Chair Rapozo: You are right. To me the forty-one thousand dollars (\$41,000) increase had nothing to do with the tax increase or the commercial tipping fee increase. I was hoping to put more money without that because I think you folks deserve it. But that is another discussion. Anyway, I have to ask you folks to step down really quick because I want to get one (1) more testifier. We will break at 12:45 p.m. If you are going to hang around, we may call you back up later. You will be the last one before lunch, Mr. Bulatao. By the way, I asked staff to pass around this letter that appears to be the approval dated March 27, 2013 for this project, the Solarized Kekaha Project, request for final approval. Again, it was signed by the Mayor on May 27, 2013 which is interesting because that is not what was presented today. Thank you. Go ahead, Mr. Bulatao.

JOSE BULATAO, JR.: Good afternoon. I do not know where to begin, but I will try to my best to cover the territory as applicable to the topic we are discussing. First of all, I want to acknowledge the work of the uncle, so to speak, in terms of their tireless efforts in focusing their time and their attention in proposing a project of such magnitude that it has required the close attention of people like you, people from the Administration, people from the community, and when Mr. Kagawa asked a question about, "Gee, with so many people in back of you, why are we having problems?" We certainly are having problems and I think you have already touched upon and certainly Patrick has put his finger on the problem to a certain extent. It is a lack of appropriate communication between all of the parties involved in what is happening. I want to go back to where we started with this whole thing in terms of how it all came about because Mel was sitting across the table from me at the Waimea Neighborhood Center when we were informed that the landfill would remain where it is for however long. It was from that, that the Host Community Benefits Citizens' Advisory Committee was established. You folks who are seating in your seats that were elected Officials at that time came up with the six hundred fifty thousand dollars (\$650,000) that we began with and then in subsequent years we received more money. Those of us who had the privilege of being appointed to work over the array of possible project proposals that came to our attention for us to review so that we could make the recommendation and it could find its way to actualization. Now, we come to this particular project of such magnitude in terms of dollars for us to deal with and the manner and style in which

this went into the meetings with not everybody present. I want to point this out, that when we were subjected to Sunshine Law because I serve as an Advisor to E Ola Mau Na Leo O Kekaha, I could not participate in the process because I was a member of the CAC also and it was considered to be a conflict of interest. I accepted that. I could not even ask a question for clarification of what was happening in the process and what was going on because I had to recuse myself from everything. Now it came to a point when the recommendation was made, solidly with the idea backing up the idea that the photovoltaic project is a good one.

Chair Rapozo:  
continue.

That is your first three (3) minutes. You can

Mr. Bulatao: Why did it take so long for some kind of agreement to come into a basis for which these things could move forward? The problem was, and still is, we are working in uncharted territory, uncharted waters. For instance, if we are going to take public funding coming to a community and we are going to consider the possibility of a loaning option to be considered that was presented when the thing warped from one thing to another, as was pointed out, and then told here, that we are going back to the original and the CAC does not even know that officially. How do we go to deal with what we are going to deal with. We do not know. You do not know. Who does? Who does? Unless and until we have that opportunity to bring all parties to the table because there are things that you have not yet heard. Who was sitting in that room when KIUC said this, that or other? What other possible options are there for the community of Kekaha to consider because the basic idea was we wanted to bring to the community of Kekaha the means by which their bills for electricity in this particular case could be lowered, that is what we wanted to do. When we went back to the uncles, as you will, I asked them, is there any other thing which we could be looking at? Should we maybe consider other options? What about a solar water heater system or something of that nature? Maybe should we go from electric stoves to gas stoves? What can we consider that would lower the bills of our community residents? When we were told, with several hundred thousand dollars we may at best service eighty (80) homes, eighty (80) homes in a community that has a thousand (1,000). Is that the best we can do? Is that the best way we can spend all of that money? That is why we asked can you look for something else and they did. They were putting heart and soul into their effort. Now we do not agree with everything, neither do you. But in the process of trying to find out what is best, we have to go through that dialogue.

Chair Rapozo:  
you could summarize.

Mr. Bulatao, that is your six (6) minutes. If

Mr. Bulatao: I will wind up with this. I would hope that you pay attention to the details as I have been trying to do myself. Regardless of which hat I am wearing whether it is the CAC Committee Member or the Advisor of the fiscal sponsor, that really does not know beans about what is going on or as a

Kekaha resident. I think we owe ourselves the best and finest that we can render the community. Thank you.

Chair Rapozo:  
here after lunch?

Thank you Mr. Bulatao. Are you going to be

Mr. Bulatao:

No.

Chair Rapozo: Any questions for Mr. Bulatao before he departs? Thank you very much. I will call the meeting back to order.

There being no further testimony, the meeting was called back to order, and proceeded as follows:

Chair Rapozo: It is 12:45 p.m. We will take our lunch break now and we will be back at 1:45 p.m. and try to be back on time so we can get started on time, we can get through this thing. Thank you.

There being no objections, the committee recessed at 12:46 p.m.

There being no objections, the Committee reconvened at 1:51 p.m., and proceeded as follows:

Chair Rapozo: Was there anyone else wishing to testify?  
Mr. Pleas.

There being no objections, the rules were suspended to take public testimony.

BRUCE PLEAS: Are we ready? I am the Chair of the Kekaha Host Community Benefit. I am also a member of the Waimea Air Quality Study and that is presently all I am associated with. This testimony is as a member of the CAC.

Chair Rapozo:

An individual member?

Mr. Pleas: Yes. I am going to go through my notes I have here. The question was the sixty thousand dollars (\$60,000) for the E Ola Mau PV Project, that was a line item that you deferred or did not accepted in the budget items. What I would like to put forward on that is that these four (4) gentlemen have been working very hard. They are worth sixty thousand dollars (\$60,000) each, you have a quarter million dollars that they are working for you. What the sixty thousand dollars (\$60,000), what I perceive at this point, I am not really super clear as to what it is for – that would be to help with the management of the funds and to write a project report to the Mayor that we can use as a template for other communities. Having been around the government quite a bit to do a study, a plan, a design and build for a project this size is probably in excess of one hundred

thousand dollars (\$100,000) if not a two hundred fifty thousand dollars (\$250,000) to get the same information you would get on from an on hands project that would be done. I hope that somewhere along the line that there will be moneys available to get this project forward with those moneys. We made a promise to the members of the Kekaha community that of the money allocated for the PV project in Kekaha all of that would be spent for hard materials on their roofs. I made that promise and I will keep that. All of the moneys, the seven hundred eighty thousand dollars (\$780,000) and any moneys that come forward, will go to the residents of Kekaha. There will have to be funding for the Manager and report writing which I think sixty thousand dollars (\$60,000) is a good deal honestly. But I understand why you did not go through with it because you did not have any information and hopefully if you have more information over a while that can be remedied. On the proposals – you had the initial proposal, you had how it warped into five (5) the options when Mel came and then it came to the original proposal. When we first put it out we gave them leeway and said look into different options and see what can be done. They did and then in the Mayor's they came up with the five (5) options. They came back to us and we looked at them and I thought some of them were very good myself, I thought they were very good. But the consensus at the CAC was that no, this was confusing to many of them. It went back to the community. The community meeting of two hundred fifty (250) people of a community of three thousand (3,000) people, which is a good ratio, that is pretty much the community voice. They wanted to go back to the original proposal which was the rating system and ranking for the elderly to get it and it would go onto the roofs. The main consensus at that meeting was do it now. We are waiting. We want it done because they have seen government moneys disappear. But one of the things that was interesting that came you was that the community was very vocal on having a transparent process for the selection and how these would be done, all of this, and that. This is something that the sixty thousand dollars (\$60,000) for a Manager would be important in taking that forward and be very helpful. Four (4) people came up and said that. So, that is important, I am taking that forward. Where we are now is on this PV project, we are in limbo. We do not know what is going on. Where do not know where it is going and the CAC will meet next Wednesday. You are invited to come – hard night to come. But our minutes are there and this will be brought up and we will see where we are at this point. That pretty much covers the highlights that I have here and I thank you.

Chair Rapozo:

Councilmember Kagawa.

Mr. Kagawa: Thank you Bruce. I wanted to thank Jose, too. He passionately kind of clarified some of the questions that I had about whether there was any disconnect going on and it just seems like questions that he had. I guess, he just wanted some options. But it seems like you folks are settled. I was just wondering when I was speaking about keeping in the forty-one thousand dollars (\$41,000) that was attributed with the tipping fee increases and I was speaking about that the County Council decided to leave that moneys in because I said, I thought it was very unfair to the Kekaha and the whole West Side

community when we decided we are going to go with vertical expansion. I sort of thought that leaving it in there was because we failed to inform the community prior that that was coming. I kind of saw you folks shaking your head. I do not know if you were shaking the head at that wanting to keep the money. Do you folks want that money or not, the forty-one thousand dollars (\$41,000)?

Mr. Pleas: I cannot speak for the CAC, but I can speak for myself as a member.

Mr. Kagawa: Yes.

Mr. Pleas: We appreciate every single penny that comes forward to help the community of Kekaha. With the fiscal stature of the County at this point, due to the fact that the tipping fees were not increased and that there is not enough money in the County – there is not an excess of money. So, with the tipping fees not being increased, myself, I would have no objections to the forty-one thousand dollars (\$41,000) being taken away. I am probably getting into big, deep ditch with everyone in the community. But I speak straight and I speak truthfully because it is not money that is there. Now, let me finish. That gives you as the Councilmembers the option to reallocate that forty-one thousand dollars (\$41,000), since it is not really available in monetary moneys this year, to transfer that to the Manager of the PV system. I will gladly accept the money. But if this is five (5) years ago, I would say run and take it because there was money in the County. But with this way, I myself, if it is taken away, I am not going to cry spilled milk.

Mr. Kagawa: Okay. You have answered my question. I want to make it clear to you that we are not in excess of money. I just feel as a West Side resident all my life, that I feel that the Kekaha Landfill has been extended beyond. We were looking at possibilities or options of ending that landfill there, twenty (20) years ago when I used to work here. I mean, it has gone above and beyond in height, literally, above and beyond where we really intended that landfill to go. I just felt this forty-one thousand dollars (\$41,000) was a fair compensation for the rash decision we made last year to all of a sudden go with another height expansion and that was just my justification. I want to make that clear to you that I am not disrespecting the Kekaha Host Community Committee by adding that money without your knowledge. I want what is best for you folks and when you bring forth to us some of the issues you are dealing with, I think, in fact, we are relying on you folks or your Committee, the community, and the four (4) leaders to decide what is best for Kekaha. I think I stated that earlier. I think it is best that way. You folks are out there having meetings in the community. We do not get testifiers from the community here very often unless it is really pointed at a specific issue that they have. We are relying on you folks to carry out what is best for the community. My only question is, and if you have this figure because I am doing accounting now that you brought it up. Seven hundred eighty thousand dollars (\$780,000), you folks are projecting how many houses to get that initial PV system on? If I divide seven hundred eighty thousand dollars (\$780,000) divided by

what I see in building permits thirty five thousand dollars (\$35,000), I get about twenty-two (22) people. But you folks have an initial benefit of about a one hundred (100). So, I am trying to rationalize the difference.

Mr. Pleas: The seven hundred eighty thousand dollars (\$780,000) is the current status reserved for PV. The systems to be put up are approximately two (2) kilowatt systems. They run around ten thousand dollars (\$10,000) each. So, there gets your numbers. Now...

Mr. Furfaro: You have answered his question.

Mr. Kagawa: You have answered my question.

Mr. Pleas: Okay.

Mr. Kagawa: Thank you.

Mr. Furfaro: This is not additional testimony. This is responding to members' questions. I just wanted to point that out, Mr. Chair.

Mr. Kagawa: Thank you, I am done.

Chair Rapozo: Go ahead, Mr. Chair, you can have the floor.

Mr. Furfaro: I wanted to say something earlier, but I am not a member. First of all, to the members of the community, I want to say that I was one who voted for the sixty thousand dollars (\$60,000) and to me it was not about not having enough information. Throughout our island we have five (5) Districts and developers pay a fee into a trust to those Districts for development. The landfill expansion, to me, I could justify the sixty thousand dollars (\$60,000) because it is a development. We are developing a landfill. Now if you look around you will see districts like Kōloa District has three hundred forty thousand dollars (\$340,000) from developer charges. You have got a district like Hanalei, eight hundred twenty-two thousand dollars (\$822,000). Those are fees that are going into this trust. You look at the West Side, very little development. They have eight hundred thousand dollars (\$800,000), but they are hosting the expansion of the landfill. The County is the applicant and as the applicant we should have had some kind of assessment towards that development and that is how in my mind I voted for the sixty thousand dollars (\$60,000). I think it is fair and reasonable, not to confuse it with the allocation from the Host Community Benefits. Tipping fees go up, the portion that goes into the CAC should naturally go up with the tipping fees. Now, we had a Bill on tipping fees to go up, that in fact, did not pass. But the anticipated exposure for that increase is in the budget which is the forty-one thousand dollars (\$41,000). I would plead with you folks to understand that there is a need to manage a sizable project of more than seven hundred fifty thousand dollars (\$750,000). This is a development. The Kekaha/Waimea District should be

getting that sixty thousand dollars (\$60,000). That is how I justified it in my vote because it is everybody's 'ōpala but it is in their District. I wanted to say that to all of you folks. Please consider that forty-one thousand dollars (\$41,000) that was left in the budget as something that can be used for the discussion and purpose that we have now. I did not need a lot more information from the Administration. I saw that as a separate development fee because it is going up. I do not want to confuse it to the allocation that goes to the West Side because of tipping fees going up. But that money is there and I would like to see it used that way again. Thank you for a moment to share my mana'o and I need to go down and take care of other things since I do not vote in this Committee.

Chair Rapozo:  
Bruce? Go ahead.

Thank you. Do you have a question for

Ms. Yukimura: So Bruce, the forty-one thousand dollars (\$41,000) that I think was labeled in the budget as Host Community Benefits, I think I hear you saying if it was converted towards the sixty thousand dollars (\$60,000) that was asked for, that would be a useful thing to your process of the photovoltaic project. Is there a problem with it being a Host Community Benefit and will it take a lot of effort to convert it at your level towards the sixty thousand dollars (\$60,000)?

Mr. Pleas: Yes. It is easier if it is allocated as a facilitator/consultant for the PV project because basically all the moneys that come into the HCB funds are allocated and dedicated to the Kekaha community. We went through the process of having fees of ten thousand dollars (\$10,000) of the twenty-five dollars (\$25) that we did for consultants and basically the word we put out that we heard from the community, all of these moneys need to be put into hard objects and benefit the community. For a consultant to be paid should be an out of HCB funds. If it was as a facilitator/consultant, that is much easier to deal with because it goes to a certain area and Mel's concerns about RFPs as a justified point and that needs to be in writing done, too so that that money is free and clear for the PV project to use without any possible litigation going on as to how it was distributed. As for the RFP process, I have serious problems with an RFP process if it is designated that we take the lowest bidder because sometimes the lowest bidder is not the best work. We next the best work coming out of the information of what Kekaha has gone through over the last two (2) years and the next two (2) years so that they next community that gets it, it is pretty much laid as to out how this works, what this is going to cost, and I think you get a bigger "bang for your buck" by getting a better facilitator and it would greatly help the four (4) gentlemen in what would be done. They do the leg work, they do it all themselves. But I do not think – it is a little out of their realm to provide the information that would be beneficial for the rest of the island.

Ms. Yukimura:

Thank you.

Chair Rapozo:

Any more questions for Bruce? Mr. Bynum.

Mr. Bynum: Bruce, I hear everything that you are saying about wanting all the funds to go to tangible, physical changes and what I just want to say because I am a blunt speaker too, you do a big project like this, that is not realistic. Every project like this has Administrative costs. Even the amount that you have given in smaller grants, the receivers of that, I assume, are going to use some of that for Administrative costs. If not, if they use it for this, it is hard costs that they saved that they would have paid. The idea is to administer a non-profit, to administer a project, takes Administration. So, you do not want to touch the seven hundred eighty thousand dollars (\$780,000) that you have set. You have one hundred thirty-seven thousand dollars (\$137,000) left this year and you will get an additional one hundred sixty thousand dollars (\$160,000) on July 1<sup>st</sup>, use those funds to pay the Administrative costs. It is unreasonable to expect that a project like this will not have some Administrative costs. Lobby the Council to increase the Host Community Benefits like the community has done and we have supported. Lobby to us to keep the interest which we supported. But you do a big project like this – you understand that these things have Administrative costs, right?

Mr. Pleas: Yes, we do. We have been through that with the other projects and we have a great pool of volunteers in Kekaha because basically we, the gentlemen that were here, and the CAC has presented to the community and the community has embraced us and told us back that this money is for the community.

Mr., Bynum: Okay, so I what to...

Mr. Pleas: I know it is very hard for that. But the projects that are there have gone forward and if you look at them, the administrative fees are minimal to none because they get the grant and they find the people to do the Administrative fees. We do not support Administrative fees and we understand...

Mr. Bynum: I do not want to debate it or belabor it. I just want to say, you understand that typically projects of this side have administrative costs?

Mr. Pleas: Yes.

Mr. Bynum: As a Director of a non-profit in the past and working on plenty of them, we get a twenty-five thousand dollars (\$25,000) grant and we use all of it to buy materials or whatever it is for, but the Administrator knows okay, we would have used these funds. But now we have the grant so we will use those and it frees up some Administrative expenses. I mean, the administrative expenses are a reality even for the grants that you give out. They are doing it within their budgets, it is helping that, and you are getting more. But not every



single penny is going to the intended purpose because it is just not realistic. That is my opinion.

Chair Rapozo: Any more questions for Mr. Pleas? There will be time for commentary when the meeting is called back to order. But any questions? If not, thank you, Bruce. Anyone else wishing to testify?

There being no further testimony, the meeting was called back to order and proceeded as follows:

Chair Rapozo: Let us take the tape change, five (5) minutes. Stay in your seats, please.

There being no objections, the Committee recessed at 2:13 p.m.

There being no objections, the Committee reconvened at 2:18 p.m., and proceeded as follows:

Chair Rapozo: The rules are suspended. Beth, while you are getting up here, I am probably going to ask the Committee to defer this matter for two (2) weeks. that will give us the opportunity to send questions over to the Administration as well as the CAC, if necessary so we can have a much better discussion with more information. I know Councilmembers have some specifics and I do not want to waste all the time here without the people here without the people here so that is the intent anyway of the Chair and it will be my suggestion. But I know you wanted to address the letter.

There being no objections, the rules were suspended.

Ms. Tokioka: Yes. I just wanted to address real quickly the document passed out so you had some context on that because it caused a little stir in the room. Without explanation, I can see why it would. What happened with that letter was that after the presentation was made at the February meeting for the CAC and there were options were presented and the CAC had a lot of questions and really expressed an interest in going back to the original proposal versus thinking of anything else. The uncles needed to kind of regroup after that and wanted to go back out to the community one more time with a final proposal to hopefully get back the reinforcement that the community was still on board and supporting the project. They kind of regrouped at that point and we were not really sure what they were going to present. But they scheduled the meeting for April 3<sup>rd</sup> and they asked to meet with the Mayor prior to that. I think it was May 27<sup>th</sup> was the date on that letter. So, they came in to meet with the Mayor...

Chair Rapozo: March 27<sup>th</sup>.

Ms. Tokioka: March 27<sup>th</sup>, sorry. They came to meet with the Mayor and basically share with him where they were at, what they wanted to present to the community, and they wanted an assurance if they went forward with this and the community was on board, that the Mayor could support it. In other words, they did not want to go out to a roomful of two hundred fifty (250) people and pitch a project and then come back to the Mayor and the Mayor says, "No, well, I have all of these concerns." So, that was basically the gist of the meeting where they wanted the reassurance that they addressed all the Mayor's concerns and that he was ready to move forward if the community concurred. So, that is what that agreement was really for their reassurance and they wanted it in writing that the Mayor felt that they had addressed the concerns. So he did, but it was communicated in that meeting that it was predicated upon acceptance by the community and acceptance by the CAC because this is not the Mayor's project. This is truly from the community and we are trying to make it happen. But it is not something that the Mayor would impose on the community if they did not want it. It was very clear that this agreement was a reassurance predicated on the re-affirmed support of the community and the continued support of the CAC. I think that next week we will have a CAC meeting and we will, it think, have a better idea of where the CAC stands on this project after that meeting and whether or not it is ready to move forward. But technically from a technical standpoint, we feel that they have addressed all of our concerns, it is ready to go as long as the community and CAC wants it. So, that is what that piece of paper is.

Chair Rapozo: Okay. But you understand that that is not what the paper says. The paper is the signature of the Mayor basically confirms the final approval of the Solarized Kekaha Project. I understand what the meaning was. But what was reduced to writing and which he signed is a commitment or a final approval of the project. I guess I bring this up because that is why we have some much *pilikia* in the community because you have one (1) of the uncles that is under the impression it is approved by the Mayor, but that is not the case and that is what I am hearing now. It is not – even as we speak today, you are saying that he has not formally approved the project.

Ms. Tokioka: Right. After the meeting, so the meet happened April 3<sup>rd</sup> and I did attend. It was really overwhelming support for the project and from the community's standpoint, I did not have any hesitation in recommending to the Mayor that the community is ready to go. But to me the CAC is the important piece here because he has always committed that projects will be recommended by the CAC and that is what he will consider.

Chair Rapozo: I think that was the original intent of this whole program back when the moneys were first allocated it was that the CAC was going to be the recommending Agency and no one else. It would take the politics out of it, it would be the community's voice, and I really appreciate the Mayor holding to that.

Ms. Tokioka: Exactly.

Chair Rapozo: In fact, that is the way it should be done.

Mr. Tokioka: I let Bruce now, after the community meeting the next week we had a CAC meeting and I let Bruce know that all systems were go at this point in terms of them addressing the concerns. The community seems to be behind it. The Mayor is ready to approve and should we write a letter because in the year before we informed them that we had approved the other grants via letter. The Mayor wrote them and said, "I approved all of these and this one is pending further work." Bruce asked me to hold off because he really felt the CAC needs to hear the update after a year and then just reaffirm the support. So, we said, "Sure, we will wait until after that CAC meeting and then hopefully then I all systems would be a go." So, that is how that unfolded.

Chair Rapozo: Thank you. Councilmember Yukimura.

Ms. Yukimura: You mentioned about all the technicalities being addressed. I do have one concern about what I heard is KIUC's concerned about issue of so much photovoltaic and whether there is sufficient backup, I guess.

Ms. Tokioka: Right, yes.

Ms. Yukimura: Has that issue been resolved because I was thinking that part of this consultation money would go toward addressing that and that still is a factor that has to be resolve, right?

Ms. Tokioka: Yes. KIUC has been in the conversation form the beginning. They have not told us that the project cannot happen, but there are some challenges. So, that will continue to be something that we have to address going forward. I think Buddie and the uncles have been in regular communication KIUC and they do have some concerns, but they have not told us it is a no go. It is just that we will need to work within their framework and probably adjust the project as necessary to meet their needs.

Ms. Yukimura: Okay. I mean, I think that piece has to be worked out clearly because I would hate for it to go so far and then due to a technicality, not be able to reach the goal that the project is aimed towards.

Ms. Tokioka: And I apologize. I do not have the technical expertise on this. You will be happy to know that Ben Sullivan is the fellow handling the technical side of it because I am limited in my knowledge of re-newables. But Ben could speak to that. It could be a question that we would be happy to answer.

Chair Rapozo: It will be. It will be not only for Ben, but for KIUC as well because when we spoke to KIUC, there is a good possibility that they need to upgrade the transformer out there which would add substantial costs which would have to be dispersed amongst the homes. It is not just that simple and that was my point when we discussed sixty thousand dollars (\$60,000). It is not something that is that simple and we have not have the opportunity. So, that is what this meeting was about and we will send the questions over, Beth and we will get the right people here. Any more questions for Beth? Questions?

Ms. Yukimura: Yes. Well, on that issue, especially if there is thought going beyond the first phase which will mean a higher quantity, then that question really has to be answered upfront.

Chair Rapozo: Well, the real question, if we cannot get even to phase one, to the first phase, then we really have some issues. Mr. Hooser.

Mr. Hooser: The meeting in April, you said there was overwhelming community support? Was is for support of this?

Ms. Tokioka: It was support of the same project. When the uncles came to me with the Mayor, they presented to me what they presented to the community on April 3<sup>rd</sup> and it was basically the same project. They came back to the community, they have come full circle with the project that they presented and actually some of the reaction that night was, "Why are you asking us again? Why have you not done it already?"

Mr. Hooser: Is this the project that they expressed overwhelming support and what the Mayor signed?

Ms. Tokioka: Yes

Mr. Hooser: Because it talks about the loan grant program too, so I was not sure.

Ms. Tokioka: Well, part of that is for those who do receive a system because they do not fall into the criteria high enough, part of that would be providing themselves resources to access those types of programs on their own. It would be an educational component for those who do not make the cut, but could possibly take advantage of other programs.

Mr. Hooser: It is not sitting aside part of the seven hundred thousand dollars (\$700,000) plus for loans?

Ms. Tokioka: No, it is not.

Mr. Hooser: It was proved at that meet and now it is going again to be approved on the 22<sup>nd</sup>?

Ms. Tokioka: No. At the community meeting or which?

Mr. Hooser: Oh, I am sorry. It was a community meeting, it was not a CAC meeting?

Ms. Tokioka: Right, it was a community meeting, correct.

Mr. Hooser: So, the CAC meeting is the designated organization that is supposed to represent the community?

Ms. Tokioka: Correct.

Mr. Hooser: And that is going to be on the 22<sup>nd</sup>?

Ms. Tokioka: The 22<sup>nd</sup>, yes.

Mr. Hooser: The CAC has or has not approved this?

Ms. Tokioka: The CAC approved the original proposal back last year and what they want to do at this point is an update as to what happened the last year, whether it is the same project or has changed, and I think what Bruce wanted was just for them to just reaffirm that they still support the project based on where it is now.

Mr. Hooser: Is there a project description more than this in terms of the detail of the project?

Ms. Tokioka: There is the original grant application, although I think the project is not the same as the grant application because of the work we have been doing to fortify it.

Mr. Hooser: I imagine before the Mayor would support at the end of the day before he approved something, would have a package or this is what we are approving and the criteria?

Ms. Tokioka: Yes.

Mr. Hooser: The details so to speak.

Ms. Tokioka: I think Ben has that. He has been working directly with them on the framework of the proposal.

Mr. Hooser: Thank you.

Chair Rapozo:

Thank you.

Ms. Yukimura: I think what is missing from the report we have gotten today from all of the different participants is the fact that there was a different proposal made after the original one was and it was more of a loan program that would make the funds last and allow for the recycling of the funds. But that one the community said they did not want. They wanted the original idea of grant money to qualifying families, right?

Ms. Tokioka:

Yes, exactly.

Ms. Yukimura:  
went on.

And that was part of the back and forth that

Ms. Tokioka: Even in the audience that evening there were younger people who obviously were not going to qualify. I was struck by that. They were very supportive of it. They said give it to the *kupuna*. I felt very confident after that meeting and I know they went door-to-door, they put a flier on everybody's doorstep, and it was a really big turnout. The community really is very comfortable with this and even with the limited number of homes that will be addressed.

Chair Rapozo: Thank you. Any more questions of Beth? If not, thank you, Beth. We will call the meeting – I think you are done, Bruce. I do not know what the time is on Bruce. Is he done? I am sorry, Bruce. Buddie, how about Buddie? Did Buddie have six (6) or three (3)? He was separate, but he spoke after Pat. Okay, Buddie. You have three (3) minutes, Buddie.

Mr. Ayudan: First of all, I want to thank everybody for hearing us today. The other three (3) uncles had things to get done. To reiterate on some of the things, we are getting a lot of support from everybody regardless of what our thoughts and issues are. The homework that we do, literally was done in the intent to do whatever was needed and anything possibly that had to be curtailed in the whole project. Like Mr. Bynum said, I worked for a company before that we were empowered to do things to progress forward and to have a lot of things accomplished. Some of the questions and answers, yes/no because we are the ones that are doing the proposal. We took it upon ourselves to make sure that we covered all of the bases so that we could answer all of the questions. We literally took in all of the questions and answers and from the County and the CAC, and we ventured prior to doing a lot of this, to all the entities that were to be touched into doing this project. The only knowledgeable portion about KIUC, there is no real answer for anybody in the County to be truthful. Today I know the permitting process for photovoltaic farms have been limited. There are not any more performances given to my knowledge. At this point, the residential systems that are going, they are done individually and for us the quantity that we will gain from the finds that we have, it will be roughly about one hundred fifty (150)/one hundred

forty (140), in that vicinity because we got the structure done from the vendors that give us consultant advice that they can do it for roughly five thousand five hundred dollars (\$5,500) for two and a half (2½) kilowatt systems. It is not going to erase the bill entirely, but it is a benefit we wanted to pursue for the residents. Now, the uncles that are up here, we are all purchasing our own and it is not something that you have to be a brain scientist. I think KIUC has us given a lot of information and we know what our structure is in the community are. We know how it is graded and we know how the process is applied. Our pro bono coordinator that jumped in the picture with us, we have been there, done that, we ripped this apart so we know what our capabilities are and how we progress in the district that we are in.

Chair Rapozo:

Buddie, if you can wrap it up real quick.

Mr. Ayudan: The questions that you might have, maybe we have not enough time right now, but if you need to, you can give us a call and we can kind of fill them in. Like I say, everybody has been so helpful. As much as we care, I know you guys care. I thank the County, I thank our Council and everyone of you.

Chair Rapozo: Thank you. Any questions? I know Mr. Kagawa and then Councilmember Yukimura.

Mr. Kagawa: Thank you, Buddie. Thank you for the clarification. I came up with comparing what has been showing up in the building permit which is far different. I would like to commend your Committee for trying to spread it out as much as possible with being reasonable. So two and a half (2½) kilowatts system, how much does that save per month in electricity, approximately?

Mr. Ayudan: It is a ten thousand (10,000) panel system. It will reduce your bill, if you have a bill like roughly about one hundred twenty dollars (\$120), it is nearly gone. I think you even have some credit coming to you. The pre-purchase agreement that the people voted on, the reason we did it is because for twenty (20) years, you will not do any maintenance. You have all of the insurance coverages on everything. Hurricanes, you name it. The responsibility falls in the third party that is selling this. It is something where people are not knowledgeable yet today. So, you cannot just jump on the roof and go wash down these things. You might do damage to it. We considered all of the avenues and possibilities are. The best way is to purchase it. But you have to accomplish the insurance portion and it is not so simple with the insurance companies today. We even did that portion of checking. You have to get on a different policy.

Mr. Kagawa: Thank you. You answer my question and like I said, just I look forward to us moving on this because I think it has clearly shown that the community wants it, Bruce and the Committee wants it, you have put in a lot of time, the Mayor wants it, and we want it so let us do whatever we can to support you folks in moving forward. Thank you.

Mr. Ayudan: Thank you.

Chair Rapozo: Councilmember Yukimura.

Ms. Yukimura: I, too, I have never seen such a community based effort as you folks have done. If you have gone door-to-door and gotten people out and gotten that kind of unanimity that is very impressive. My question is, what company did you work for that was based on empowering their employees?

Mr. Ayudan: I worked for National Aeronautics and Space Administration (NASA) before when I was young. We put up all the polymer stations. But the company that really built me was Hawaiian Telephone, GT&E, and Verizon. They also produced Mr. Gary Heu and Mr. Warren Haruki.

Ms. Yukimura: Very good. Thank you Buddie.

Chair Rapozo: Thank you. Buddie, just one question. Who is the vendor that will be installing it?

Mr. Ayudan: Right now SunRun is one of the vendors and on Kaua'i we have sat down with Solar Wide and we have sat down with A&B. I have called the owner of SunRun literally to find out more information. I have worked with Pancho Solar in O'ahu.

Chair Rapozo: It will be multiple vendors?

Mr. Ayudan: It is not something that we can pursue yet because we have not had a dollar. Until we do this, you know like how you say how the County puts things out to bid? It is basically the same thing. But to comfortable with everybody, what we want to do is have them have a choice. If I know you very well, I will call you. If I know JoAnn, I will call JoAnn. You have got to have something you are comfortable with so that is part of it.

Chair Rapozo: That is good. But if we can make that happen legally, that is a good thing and that is just my concern because it is public money, it is County money, it is taxpayer money, that I just have to be comfortable. It is actually out of our hands. We do not control the spending of that money. This body does not. That money goes over there and it is done and we have no say. The Mayor has the final say to approve, we do not. I am just sharing my concerns.

Mr. Ayudan: The Mayor is entirely excited about this because it is not only going to be for Kekaha. Yes, the funds are for Kekaha, but this template is basically being made for the island of Kaua'i. So, whoever wants to, it is not something that you have forced to. Even in our community, if you do not want take one, we are not forcing you to take one. It is a choice. The younger



generation, like what we say, the pricing structure of five thousand five hundred dollars (\$5,500) will be open to anybody.

Chair Rapozo: Well, they came to my house to do an assessment for PV and it was twenty thousand dollars (\$20,000) for my little house. I just wanted to – and I will talk to you later, Buddie.

Mr. Ayudan: Twenty thousand dollars (\$20,000)?

Chair Rapozo: Thousand dollars (\$20,000), for a PV system.

Mr. Ayudan: So, your electric bill is about three hundred ten dollars (\$310) a month on the average?

Chair Rapozo: Pretty close.

Mr. Ayudan: Give or take.

Chair Rapozo: If you do not use the lights during the day, you get really no benefit. Anyway, Buddie, we will talk later. Any more questions for Buddie? If not, thank you very much, Buddie.

Mr. Ayudan: I thought Nadine had one.

Chair Rapozo: Oh, I am sorry. I could not see her.

Ms. Nakamura: I am okay.

Mr. Ayudan: Are you sure?

Ms. Nakamura: Okay, I will ask the question.

Chair Rapozo: We will more than likely be back in two (2) weeks Buddie.

Mr. Ayudan: I really wanted everybody to ask me a questions.

Ms. Nakamura: I will ask a question then. When I look in the paper when people install PVs, it is about thirty-four thousand dollars (\$34,000) value. So, the question is, is it a lower output? Is that what brings down the cost?

Mr. Ayudan: What you see in the paper at thirty-four thousand dollars (\$34,000), to my knowledge for what information what I have thirty-four thousand dollars (\$34,000) is a bought price and it is a happy medium. But for thirty-four thousand dollars (\$34,000) what you are is something that will

accommodate a bill of roughly two hundred ninety dollars (\$290) to three hundred forty dollars (\$340) give or take. The reason for that is that your electric bill is taken on an average and they will do the paperwork from there. But I know for a fact that what we are doing to meet the needs, we took a smaller quantum size which is only two and a half (2½) kilowatt system and made it so that at least everybody would have something. On the bigger side, what you see on the permitting process in the paper, that would accommodate something and if it fell into your pre-purchase agreement of twenty (20) years, it would accommodate something that would take roughly about fourteen (14) kilowatts a day.

Ms. Nakamura: That explains it. Thank you very much.

Mr. Ayudan: It is a larger system.

Chair Rapozo: Thank you. Mr. Bynum.

Mr. Bynum: I have a comment and question. My comment is thank you very much. My heart is warmed by the work I heard happen and even though there are issues to work out overall, I am very encouraged by everything that I heard today. I think if the CAC agrees to fund this needed facilitator, you folks are ready to go. It looks like the Mayor is saying as long as all the ducks are lined up, I am behind it and you folks have done outstanding work. My question is do you realize that what you are doing helps people in Kekaha, but it helps everybody on this island and everybody on the planet because that electricity is not going to be generated by fossil fuels that puts carbon in the atmosphere, it is not going to be needed to be transported here which ships put carbon into the atmosphere. So, this is win-win-win and I just really applaud you, everybody in the community, the Mayor, and the Administration to work out most of the issues, I think.

Mr. Ayudan: There is a whole lot more than just the story of numbers and money.

Mr. Bynum: Exactly.

Mr. Ayudan: Because when you end up with a system, you learn what you have done and accomplished. What we have in the Administration portion to this is we will have classes for each of the individuals so they will be gaining all of this knowledge that we were unaware of these past years. Also, we are incorporated them in with the younger generation.

Mr. Bynum: Thank you so much.

Chair Rapozo: Any more questions?

Ms. Yukimura: One more question.

Chair Rapozo:

Go ahead.

Ms. Yukimura: The price differential that you have been talking about here, part of it is economies of scale, right because I mean the pricing in the newspaper for one system...

Chair Rapozo:

A large system.

Ms. Yukimura: ...the pricing for one hundred (100) to per unit is going to be lower.

Mr. Ayudan:

Right.

Ms. Yukimura: Even if you have three (30 vendors, the unit price should go down somewhat.

Mr. Ayudan: What we are into is quantity so we will be bulk purchasing.

Ms. Yukimura:

Right.

Mr. Ayudan: Whereas an individual goes in by himself. So, what you pay thirty thousand dollars (\$30,000) for, in reality after your tax releases, you will end up with a system that costs you sixteen thousand dollars (\$16,000). So, the price structure from thirty-two thousand dollars (\$32,000) is down to sixteen thousand dollars (\$16,000).

Ms. Yukimura:

Yes.

Mr. Ayudan:

It is a larger system.

Ms. Yukimura: Yes. Your whole program will help families access all of this, the tax benefits and the lower costs.

Mr. Ayudan:

Right.

Ms. Yukimura:

I mean the lower price.

Mr. Ayudan:

Righty.

Ms. Yukimura:

Thank you.

Chair Rapozo: Thank you. Any more questions? If not, thank you very much, Mr. Ayudan.

Mr. Ayudan:

Thank you for having me.

Chair Rapozo:

Anyone else wishing to testify?

There being no further testimony, the meeting was called back to order, and proceeded as follows:

Mr. Kagawa moved to defer EPC 2013-05.

Chair Rapozo:

No discussion? Go ahead.

Mr. Bynum: Just really briefly. I think even though there are issues to work out, this was a significant update that we have not had for a while and I heard a lot of positive things here today. I am optimistic that the remaining issues can be resolved and hopefully by the community. At some level, well, I also have the experience of working with County on large community projects quite successfully and I trust that the County understands the procurement issues and that there are provisions to allow and empower communities and that is one of the advantages doing it that way because communities can do things more efficiently. Thank you everyone for this good work and I am very hopeful.

Chair Rapozo:  
Yukimura.

Thank you. Go ahead, Councilmember

Ms. Yukimura: I just want to thank everybody who has been working on this and who will continue to work on this until it comes to fruition. I just want to of amplify on Buddie's last points which was that one thing about this system is it makes you so conscious of your energy use and in so many ways that is going to be a good thing.

Chair Rapozo:

Mr. Kagawa.

Mr. Kagawa: Thank you. I want to thank Chair for having this on the agenda. It seems like a subject that we should avoid and let the Kekaha Host Community Benefits take care of. However, we should take interest. We should try to help them along and I think it is never a bad thing to listen and discuss issues that are important. I want to thank you for what you do for the Kekaha community. When it is all said and done, I think we all look back at it and we will see a lot of positive results. I see a lot of grants going to schools, sports groups, and everything else and it is been long overdue that the community of Kekaha has been returned some of the benefits of having that landfill there. I just want to plead to members that let us figure out a way to get the forty-one thousand dollars (\$41,000) out of the Host Community Benefits and let us add that instead into a sixty thousand dollars (\$60,000) Money Bill that will either go out of Mayor's or the Office or Economic Development to finally push this project forward. Thank you.

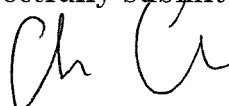
Chair Rapozo:

Anyone else? If not, I will entertain a motion to defer.

Upon motion duly made by Mr. Kagawa, seconded by Mr. Bynum, and unanimously carried, EPC 2013-05 was deferred.

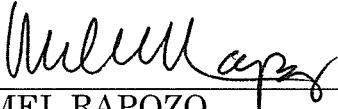
There being no further business, the meeting was adjourned 2:49 p.m.

Respectfully submitted,



Allison S. Arakaki  
Council Services Assistant I

APPROVED at the Committee Meeting held on June 5, 2013:



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MEL RAPOZO  
CHAIR, EPC COMMITTEE